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July 6, 1999

By Hand

David Waddell Executive Secretary Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, Tennessee 37243

Re:

Proceeding for the Purpose of Addressing Competitive Effects of Contract Service Arrangements Filed by BellSouth Telecommunications, Inc. in Tennessee

Docket No. 98-00559

Dear Mr. Waddell:

Enclosed is the original and 13 copies of AT&T's Revised Responses to BellSouth's First Data Requests. Copies have been served upon counsel for all parties of record as indicated on the attached Certificate of Service. Thank you for your assistance in this matter.

Sincerely,

Jim Lamoureux

Encls.

cc: Counsel for all Parties of Record (w/encls.)

BEFORE THE TENNESSEE REGULATORY AUTHORITY

Nashville, Tennessee

REC'D TN REGULATORY AUTH

'99 JUL 6 AM 10

In Re: Proceeding for the Purpose of Addressing Competitive Effects of Contract Service Arrangements Filed by BellSouth Telecommunications, Inc., in)))	Docket No. 98-00559	OFFICE OF THE EXECUTIVE SECRETA
Tennessee)		

AT&T'S REVISED RESPONSES TO BELLSOUTH'S FIRST DATA REQUESTS

In accordance with the March 24, and June 1, 1999, orders of the pre-hearing officer in this case, AT&T Communications of the South Central States, Inc. ("AT&T") hereby serves and files its Revised Responses to BellSouth's First Data Requests.

DATA REQUESTS

1. Identify each person participating in the preparation of the answers to these data requests or supplying information used in connection therewith, and explain with particularity each person's relationship, if any, to AT&T.

<u>RESPONSE</u>: Jim Lamoureux is the only person who has participated thus far in the preparation of AT&T's responses and objections to BellSouth's First Data Requests.

2. Do you contend that any BellSouth Contract Service Arrangement is anticompetitive?

RESPONSE: AT&T does not contend at this time that any individual CSA or the terms thereof, in isolation, is anti-competitive. However, AT&T contends, based on the documents produced by BellSouth in discovery in this proceeding, that all

BellSouth CSAs entered into since 1996 are anti-competitive, because they are part of a concerted effort by BellSouth to foreclose the development of local competition in Tennessee. Moreover, term and penalty provisions, as integral parts of the CSAs entered into by BellSouth, have contributed to the use of such CSAs by BellSouth in its effort to foreclose local competition.

- 3. If the answer to the foregoing request is in the affirmative, for each CSA which you contend is anticompetitive, please:
 - (a) identify the CSA by applicable CSA, tariff, or docket number;
- (b) identify the terms, conditions, or provisions of the CSA which you contend are anticompetitive, if any;
- (c) state all facts which support your contention that the CSA or any terms, conditions, or provisions contained therein are anticompetitive; and
- (d) identify all documents which support your contention that the CSA or any terms, conditions, or provisions contained therein are anticompetitive.

RESPONSE: See AT&T's Response to Data Request No. 2, above.

4. Do you contend that any BellSouth Contract Service Arrangement is discriminatory?

RESPONSE: AT&T does not contend at this time that any individual CSA or the terms thereof, in isolation, is unduly discriminatory. However, AT&T contends, based on the documents produced by BellSouth in discovery in this proceeding, that all BellSouth CSAs entered into since 1996 are unduly discriminatory, because they are part of a concerted effort by BellSouth to foreclose the development of local competition in Tennessee. Moreover, term and penalty provisions, as integral parts

of the CSAs entered into by BellSouth, have contributed to the use of such CSAs by BellSouth in its effort to foreclose local competition.

- 5. If the answer to the foregoing request is in the affirmative, for each CSA which you contend is discriminatory, please:
 - (a) identify the CSA by applicable CSA, tariff, or docket number;
- (b) identify the terms, conditions, or provisions of the CSA which you contend are discriminatory, if any;
- (c) state all facts which support your contention that the CSA or any terms, conditions, or provisions contained therein are discriminatory; and
- (d) identify all documents which support your contention that the CSA or any terms, conditions, or provisions contained therein are discriminatory.

RESPONSE: See AT&T's Response to Data Request No. 4, above.

6. Have you entered into any Special Contracts from January 1, 1994 to the present?

RESPONSE: Rule 1220-4-8.0793) does not define "special contracts." However, AT&T interprets the rule to cover contracts with provisions (such as rates or terms) different than tariff provisions for the same service. With that definition, AT&T has entered into special contracts since January 1, 1994.

- 7. If the answer to the foregoing request is in the affirmative, please identify each such Special Contract, including:
 - (a) the effective date of the Special Contract:
 - (b) the term of the Special Contract;
 - (c) the telecommunications services provided under the Special Contract; and

(d) the differences in the rates, terms, and conditions for the telecommunications services provided under the Special Contract and the rates, terms, and conditions for those same services as set forth in your approved tariffs in Tennessee.

RESPONSE: The answer to this interrogatory may be ascertained by reviewing AT&T's special contracts, and the burden of doing so is substantially the same for BellSouth as AT&T. Accordingly, pursuant to Tennessee Rule of Civil Procedure 33.03, AT&T is producing the special contracts into which it has entered, from which an answer to this interrogatory may be ascertained.

- 8. Do any of the Special Contracts you have entered into since January 1, 1994 contain any provisions which require that the person subject to the Special Contract pay termination charges in the event the person cancels service orders prior to installation or terminates the Special Contract before the term of the agreement has expired?

 RESPONSE: The answer to this interrogatory may be ascertained by reviewing AT&T's special contracts, and the burden of doing so is substantially the same for BellSouth as AT&T. Accordingly, pursuant to Tennessee Rule of Civil Procedure 33.03, AT&T is producing the special contracts into which it has entered, from which an answer to this interrogatory may be ascertained.
 - 9. If the answer to the foregoing request is affirmative, please:
 - (a) identify each such Special Contract; and
 - (b) describe any termination charges that would apply under each suchSpecial Contract if the person subject to the Special Contract

cancels a service order prior to installation or terminates the Special Contract before the term of the agreement has expired.

RESPONSE: The answer to this interrogatory may be ascertained by reviewing AT&T's special contracts, and the burden of doing so is substantially the same for BellSouth as AT&T. Accordingly, pursuant to Tennessee Rule of Civil Procedure 33.03, AT&T is producing the special contracts into which it has entered, from which an answer to this interrogatory may be ascertained.

10. Has any person subject to a Special Contract entered into with you since January 1, 1994 been assessed or paid termination charges for canceling a service order prior to installation or terminating the Special Contract before the term of the agreement has expired?

RESPONSE: AT&T is unaware of any such assessments.

- 11. If the answer to the foregoing request is in affirmative, please:
 - (a) identify the person involved and the Special Contract under which the termination charges were assessed or paid;
 - (b) state the amount of termination charges that were assessed or paid; and
 - (c) describe with specificity the method by which the termination charges were calculated.

RESPONSE: See AT&T's previous objection to this Data Request.

- 12. Are the services that you provide under each Special Contract available at the same rate to any person who meets the terms and conditions of the Special Contract?

 RESPONSE: Yes, as required by Rule 1220-4-8.07(3).
 - 13. If the answer to the foregoing request is in the affirmative, please:

- (a) describe the criteria you consider, if any, in determining whether a person meets the terms and conditions of the Special Contract;
- (b) identify all documents the refer or relate to the criteria you consider, if any, in determining whether a person meets the terms and conditions of the Special Contract;
- (c) describe the procedures you utilize, if any, in determining whether a person meets the terms and conditions of the Special Contract; and
- (d) identify al documents that refer or relate to the procedures you utilize, if any, in determining whether a person meets the terms and conditions of the Special Contract.

RESPONSE: The volume of AT&T's special contracts in Tennessee is not substantial, and AT&T has no formal procedures concerning the offering of special contracts to similarly situated customers. Each special contract is negotiated on an individual case basis with each customer, and whether a special contract is offered to a particular customer depends on any number of factors, including revenue and the potential of losing the customer to a competitor. Rule 1220-4-8.07(3) does not require AT&T to identify or locate similarly situated customers or to affirmatively offer special contracts to specially situated customers. However, as required by the rule, upon request, any special contract is made available to any similarly situated customer satisfying the terms and conditions of the special contract who requests such a special contract during the course of negotiations.

14. Produce copies of all documents identified in response to these data requests.

RESPONSE: Copies of AT&T's special contracts are being produced.

Respectfully submitted,

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Attorney for AT&T Communications of the South Central States, Inc.

July 6, 1999

CERTIFICATE OF SERVICE

I hereby certify that on July 6, 1999, a copy of the foregoing document was served on the parties of record via US mail, postage paid and properly addressed to the following:

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